

CENTRAL INTELLIGENCE AGENCY

FOREIGN DOCUMENTS OR RADIO BROADCASTS

CD NO.

50X1-HUM

SUPPLEMENT TO
REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE: Voprosy Ekonomiki, No 6, 1948. (Translation requested.)

PROBLEMS OF SOCIALIST LABOR ORGANIZATION AND WAGES

(Review of Voprosy truda i zarabotnoy platy v sotsialisticheskoy
promyshlennosti (Problems of Labor and Wages in Socialist
Industry), D. Fish, Lenizdat, 1948)

Ye. Manevich

This book discusses problems of labor organization and productivity, training and utilization of personnel in industrial enterprises, organization of multiple-tool service (mnogostanchnoye obsluzhivanie), technical standardization, and problems concerning the control, application of tariffs (tarifikatsia) and wage system of workers in socialist industry.

In the chapter devoted to the development of socialist forms of labor, the author shows how the forms of socialist competition were altered and perfected according to the specific tasks which experience brought to light in the various stages of socialist construction. A significant place is given to the highest form of socialist competition, the Stakhanovite movement, and its later development. Comrade Fish illustrates, with specific examples, the practical application of diverse methods of labor organization and bold innovation by Stakhanovites. He states that, notwithstanding the wide diversity of Stakhanovite labor methods, Stakhanovites have in common a style of labor that is characterized by a highly productive technique -- an ability to estimate the time factor, an analytical approach toward one's work, and a constant striving to improve one's technical level and work methods. The author emphasizes the significance of the popularity of the Stakhanovite movement, and cites proven methods of disseminating Stakhanovite experience.

[The following three paragraphs in the article summarize the contribution of Stakhanovite methods during the war, review the origin in Leningrad of the move to complete the Five-Year Plan in 4 years, and point out the importance of the Party's "speedily snatching up the bold innovations of Stakhanovites and making them the property of the broad mass of workers."]]

CLASSIFICATION

[illegible]

CONFIDENTIAL

50X1-HUM

Fish examines problems of recruitment, training, and effective utilization of personnel in enterprises. He describes the division of labor inherent in socialist enterprises. In the development of our production technique and organization, a gradual change in the division of labor by trades is taking place. Many trades bound up with earlier techniques are disappearing, while completely new trades are emerging. The introduction of automatic and semi-automatic machine tools increases the number of automatic-machine workers. Many groups of adjusters (nastochik) are making their appearance in continuous mass-production plants. Substitution of welding for riveting has increased the number of welders, etc.

Under conditions of socialism, technological development requires a steady raising of the general technical level of workers who must be well acquainted with the machines and the complex principles of their operation. The transformation of the labor force into skilled engineer-technical labor is occurring in socialist industry. In this field, an important role is played by such new forms of labor organization as combination of professions, multiple-tool service, conversion to production-line methods, participation of hundreds of thousands of workers in production "rationalization," and the widespread system of technical training carried on in our enterprises.

The accurate placement and utilization of manpower in enterprises has a great significance in the raising of production culture /sic/, and in the realization of high labor productivity. Above all, it is necessary to eliminate completely the element of irresponsibility in labor, to prohibit unnecessary movement of workers from one job to another, to define each worker's mission strictly, and to secure from the worker a precise accounting of the material means at his disposal.

The author examines methods of analyzing the utilization of a worker's time: the planned and actual budget of working time, efficient planning of the work day, and elimination of apparent and concealed losses of working time within shifts.

The book emphasizes the significance of such proven methods of organizing productive processes as continuous conveyor production. The conveyor system plays a major role in improving organization, and in raising labor culture since a lag on the part of one worker is quickly reflected in the productivity of the whole line. Under this system, there is a steady increase in the responsibility of the administrative-technical personnel for providing workers' positions on the line with materials, tools, and other things necessary for the constant movement of the production line.

In the second part of the book, Fish describes the existing systems of wages in industry, their application in the various branches (mainly in machine building), their economic effectiveness and the use of bonus scales. He gives some information on principles of controlling wages in socialist industry. Here, the author rightfully poses the question of the necessity of standardizing, as far as possible, the level of wages for workers having similar qualifications, but working in different enterprises located in the same area.

Comrade Fish's book suffers from a number of basic shortcomings. The most important of them is the low theoretical level of the book. In his foreword, he states that the limited size of the book did not permit him to discuss each subject in detail, especially in the theoretical aspects. Such an "explanation" is hardly satisfactory to the reader. Those chapters of the book, in which he attempts to interpret certain labor problems theoretically, are hardly crowned with success. In addition, "actual material" is almost completely lacking in a number of chapters, particularly in those devoted to questions of technical standardization and wages.

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

The first chapter gives a vague and incomplete definition of labor productivity. The author does not state what factors labor productivity depends upon. The classics of Marxism-Leninism have indicated that labor productivity is determined by complex circumstances including the average degree of labor proficiency, the scientific level and the degree of its technological application, the general combination of industrial processes, the size and effectiveness of means of production and finally, the natural conditions. Fish virtually reduces the concept of labor productivity to an expenditure of human effort, while minimizing the role of material factors in labor (*oveshochestvleniiy trudu*). Moreover, it is well known that under socialism the growth of labor productivity comes about mainly by the growth and improvement of the technical means of production. Consequently, it is impossible to separate and compare the human and material factors in labor. They make up a whole.

The author's assertion that the growth of labor productivity is the chief means of resolving the USSR's basic economic problem is false. The basic economic problem is to be resolved mainly by the steady expansion of production volume and increase in the number of socialist enterprises.

Comrade Fish writes that the enormous tempo of growth reached by the end of the Second Five-Year Plan guarantees success in the USSR's competition with capitalist countries in the field of labor productivity. But he does not emphasize the fact that in the USSR the productivity of social labor derives from the enormous advantages inherent in the socialist economic system. The author, obviously, did not look into the profound and decisive difference between the labor productivity of workers in capitalist countries and of those in socialist countries. He loses sight of that essential circumstance which was set forth in an editorial in *Bolshevik*: namely, that the growth of labor productivity under capitalism means, above all, the devilish growth of labor intensity which stupefies the worker and deprives him of his soul. Thanks to the presence of a chronic army of unemployed, capitalists can select the most qualified and hardy workers and raise their labor intensity to extraordinary degrees. The above-mentioned editorial also points out that the Soviet people are not willing to compete with the capitalists in this murderous overstraining of the workers' strength. The following generalization made by the author is completely groundless: "Very often the machine park of an enterprise is only 50- or 60-percent utilized because of the incompleteness of the equipment, poor production planning, unsatisfactory organization of material supply, etc." According to Fish, under-utilization of equipment is characteristic of all our enterprises. Such assertions are contrary to reality.

Nor is it possible to agree with the author's evaluation of the method of standardization on the basis of observation (*nablyudentiye*). According to him, the norms based only on observation usually do not contain elements of planned rational work methods. They are free of obvious waste but they legalize concealed waste, i.e., waste bound up with inefficient work methods. In addition, Fish maintains that the norms established by this method are not free from subjective factors. Every inaccuracy in time measurement is, in the final analysis, reflected in the norm. Such inaccuracy is possible both as a result of an inadequate preciseness of observation, and from the fact that the workman who is under observation sometimes intentionally slows down his work. These judgments are groundless.

The assertion that our workers intentionally slow down work when under observation is a profound mistake. The characteristic feature of our Stakhanovites is their conscientiousness, their desire to increase labor productivity and to transmit their experience to other workers. Every worker, (especially an advanced Stakhanovite worker) knows that he is working for himself and his own government. Therefore, every worker regards his plant or his enterprise as an intimate family matter in whose development and improvement he is vitally interested. In addition, it is well known that regardless of the revision of norms, the wages of workers and employees in the USSR are steadily increasing.

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

The author's comparison of the analytical accounting method with the method of standardization by observation is not an accurate one. Ordinarily, the latter serves in mass production for repeated operations as a necessary complement to the former since no calculation table can foresee specific work conditions or allow for the advanced experience of Stakhanovites. Fish is not correct when he states that the observation method does not take into account elements of planned rational labor methods. It is well known that observation of advanced Stakhanovite workers reveals better work methods which may be taken into account during the analysis of the operations. Through transmission of experience, these methods become the property of the working masses. The task of properly conducted observation is to eliminate waste arising from inefficient work methods.

The author's assertion that norms established by the observation method are deliberately inaccurate is groundless and was refuted in practice long ago. Before a norm is established on the basis of timing data, several observations are made, and any possible inaccuracies are thus neutralized.

In his account of the problems of wages in socialist industry, Fish does not disclose the nature of wages in the USSR nor the difference between wages under capitalism and socialism. Even the importance of wages as a factor in the increase of labor productivity and worker qualifications has not been properly reflected in his book.

Comrade Fish regards working conditions as the decisive factor in the standardization of wages in socialist industry. He writes, "The fact that petroleum and coal industries occupy first place in the wage scale is to be explained largely by their working conditions." Granted that working conditions play an important role in the standardization of wages; still, the basic reason for the high level of wages in the petroleum, coal, and machine-building industries is their leading role and their importance in the national economy.

Comrade Voznesenskiy, in his book, The Military Economy of the USSR During the Patriotic War, states that in the war years important improvements in labor organization occurred. These took the direction of a consistent application of progressive-piecework and hourly-bonus wages, and in the development of a bonus system for engineer-technical personnel who fulfilled and overfulfilled production plans. "In connection with the growth of labor productivity, and to encourage shock branches of production in the period of military economy, the wage level in the coal and petroleum industries, in ferrous and nonferrous metallurgy, and in war industries, was raised."

Despite these facts which testify to the important improvement in the field of wage organization, Fish declares that "during the war and after its completion, the equalizing (uravnitel'nyy) elements in wages were further strengthened as a result of the known relaxation of attention on the part of many directors of enterprises to the questions of wage organization." It cannot be denied that there are still many shortcomings (unfortunately, Comrade Fish avoids them) in the organization of wages. But the author's statement, that in the war years equalizing elements in wage organization were strengthened, is not true.

In his interpretation of wage problems, Comrade Fish does not speak of forms of wages. He obviously considers that in socialist industry forms of wages do not exist--only systems. Marxist-Leninist political theory recognizes that there are two basic forms of wages in socialist industry, the piece wage and the hourly wage. All the other systems (piece-progressive, piece-bonus, brigade, hourly-bonus, etc.) are variations of the two basic forms of wages.

- 4 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

The book completely ignores such important problems of wage organization as wages of leading workers, engineer-technical personnel, and employees, as well as problems bound up with the efficient allocation and utilization of manpower in socialist enterprises.

The book does not explain important problems connected with the role and significance of trade unions in the standardization and organization of wages in socialist industry. It is well known that Soviet trade unions are charged with important tasks affecting the organization, planning, and standardization of wages, as well as the setting up of measures for establishing accurate correlations of the wages of the various groups of workers. The wage commissions attached to factory and plant committees play an important role in this matter.

Thus the book written on a contemporary theme and containing some interesting material, loses its value as a consequence of its inadequacies and mistakes.

- E N D -

- 5 -

CONFIDENTIAL